

**S.E.A. PETROLEUM EXPLORATION SOCIETY**

(Registered under The Societies Act. Cap. 311)

(Registration Number: S73SS0042H)

**ACCOUNTS AND REPORTS**

For the financial year ended

**30 September 2012**

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**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Registered under The Societies Act. Cap. 311)

**STATEMENT OF COUNCIL MEMBERS**

In the opinion of Council Members, the accompanying statement of financial position, statement of income and expenditure and statement of cash flows together with the accompanying notes thereon, have been properly drawn up so as to give a true and fair view of the state of affairs of the Society as at 30 September 2012 and of the results of the Society for the financial year ended on that date.

The Council Members has authorized these financial statements for issue on the date of this statement.



**PETER BAILLIE,**  
President



**CHESTER CHUA LING CHUAH**  
Treasurer

Date: 07 JUN 2013

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Registered under The Societies Act. Cap. 311)

**Report on the Financial Statements**

We have audited the accompanying financial statements of S.E.A. PETROLEUM EXPLORATION SOCIETY as at 30 September 2012 which comprise the statement of financial position of the Society as at 30 September 2012, statement of income and expenditure and statement of cash flows of the Society for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of The Societies Act Cap.311 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

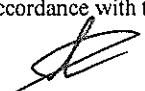
In our opinion, the financial statements are properly drawn up in accordance with the provisions of The Act and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Society as at 30 September 2012 and of the results and cash flows of the Society for the financial year ended on that date.

*Other matter*

The financial statements of the Society for the financial year ended 30 September 2012 were audited by another auditor who expressed an unqualified opinion on those statements on 16 November 2011.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Society have been properly kept in accordance with the provisions of the Act.

  
**LEE S F & CO**  
Public Accountants and Certified Public Accountants  
Singapore,  
KK/LSF

07 JUN 2013

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Registered under The Societies Act. Cap. 311)

**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012**

	Notes	2012 \$	2011 \$
<b>FIXED ASSETS</b>	3	2,177	3,629
<b>CURRENT ASSETS</b>			
Trade receivables	4	93,025	14,209
Deposits and prepayments	5	130,696	-
Fixed deposits	6	201,234	201,069
Cash and cash equivalents	7	1,100,274	1,268,438
		1,525,229	1,483,716
<b>LESS: CURRENT LIABILITIES</b>			
Other payables and accruals	8	29,097	3,385
		29,097	3,385
<b>Net Current Assets</b>		1,496,109	1,480,331
		1,498,309	1,483,960
<b>Represented By:</b>			
<b>MEMBER FUNDS</b>		1,498,309	1,483,960

The accompanying notes form an integral part of these financial statements

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Registered under The Societies Act. Cap. 311)

**STATEMENT OF INCOME AND EXPENDITURE FOR THE FINANCIAL  
YEAR ENDED 30 SEPTEMBER 2012**

	Note	2012 \$	2011 \$
<b><u>Income</u></b>			
Membership fee		95,293	66,346
Events	9	216,428	1,165,160
Enterprise activities	9	85,033	93,600
Forum and talks		81,129	85,295
Scout check		18,691	191,768
SEAPEX press advertisement		65,888	75,150
Worldpay charges		-	2,888
Corporate sponsorship income		197,196	211,000
Miscellaneous		680	612
		760,338	1,891,819
<b>Add: Other income</b>			
Fixed deposit interest income		164	540
Sundry income		710	-
		874	540
<b>Total income</b>		761,212	1,892,359
<b>Less: Total expenditure (Refer to page 5)</b>		746,498	1,350,553
<b>Surplus for the financial year before taxation</b>		14,714	541,806
Taxation	11	(365)	-
<b>Surplus for the financial year after taxation</b>		14,349	541,806
<b>Accumulated member funds brought forward</b>		1,483,960	942,154
<b>Accumulated member funds carried forward</b>		1,498,309	1,483,960

The accompanying notes form an integral part of these financial statements

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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**TOTAL EXPENDITURE FOR THE FINANCIAL  
YEAR ENDED 30 SEPTEMBER 2012**

	<u>2012</u>	<u>2011</u>
	\$	\$
Additional meetings	1,174	1,019
Audit fee	1,700	1,700
Bad debts written off	-	388
Bank charges	10,735	41,140
Bookkeeping fee	7,550	300
Cleaning services	3,560	3,230
Copier machine	2,893	3,296
Courier and postage	8,705	7,562
Central Provident Fund	10,412	9,745
Database management	1,303	6,710
Depreciation of fixed assets	1,452	726
Donation	-	10,428
Entertainment and refreshment	1,571	1,735
Events and activities expenses	10 548,617	1,115,519
GST expenses	3,647	-
Insurance	3,973	5,508
IT support	118	118
Miscellaneous	505	17,151
Office rental	24,198	24,000
Printing and stationery	9,630	6,169
Professional fees	10,670	2,950
Repair and maintenance	581	6,933
SEAPEX council meetings	218	2,333
Skill Development Levy	132	-
Staff payroll	70,237	57,960
Staff welfare	6,276	-
Tax fee	1,000	-
Telecommunication	5,528	7,326
Training fee	1,110	-
Transportation	969	963
Utilities	385	462
Website maintenance	7,649	14,799
Worldpay charges	-	383
	<u>746,498</u>	<u>1,350,553</u>

The accompanying notes form an integral part of these financial statements

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR  
ENDED 30 SEPTEMBER 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Surplus for the financial year before taxation</b>	14,714	541,806
Adjustment for:-		
Depreciation of fixed assets (Note 3)	1,452	726
Interest income	(164)	(540)
<b>Operating surplus before changes of:</b>	16,002	541,992
(Increase) in trade receivables	(78,816)	(14,209)
(Increase) in deposits and prepayments	(130,696)	-
Increase/(decrease) in other payables and accruals	25,711	(7,349)
<b>Cash (used in)/generated from operations</b>	(167,799)	520,434
Income tax paid	(365)	-
<b>Net cash (used in)/generated from operating activities</b>	(168,164)	520,434
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	(4,355)
<b>Net cash (used in) financing activities</b>	-	(4,355)
<b>Net change in cash and cash equivalents</b>	(168,164)	516,079
<b>Cash and cash equivalents at beginning of the financial year</b>	1,268,438	752,359
<b>Cash and cash equivalents at end of the financial year (Note 7)</b>	1,100,274	1,268,438

The accompanying notes form an integral part of these financial statements

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Registered under The Societies Act. Cap. 311)

**NOTES TO THE FINANCIAL STATEMENTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**a) BASIS OF PREPARATION**

The financial statements have been prepared in accordance with the provisions of The Societies Act. Cap.311 and Singapore Financial Reporting Standards.

The financial statements, expressed in Singapore Dollar, have been prepared in accordance with the historical cost convention.

**b) CHANGES IN ACCOUNTING POLICIES**

In the current financial year, the Society has adopted all the new and revised FRSs and interpretations of FRS ("INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 October 2011. The adoption of these new/revised FRS and INT FRSs does not result in changes to the Society's accounting policies and has no material effect on the amount reported for the current period.

FRS Not Yet Effective

The Society has not applied the following FRS that have been issued but not yet effective:

<u>Description</u>	<u>Effective date (annual periods Beginning on or after)</u>
Amendments to FRS 12 Deferred Tax – Recovery of Underlying Assets	1 January 2012

**c) SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates, assumptions concerning the future and judgements are assessed on an on-going basis and are based on experience and relevant factors, including expectation of future events that are believed to be reasonable under the circumstances.

There were no critical estimates, assumptions and judgements made by Management that requires separate disclosure, in which affecting the application of the Society's accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made.



**d) FIXED ASSETS AND DEPRECIATION**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment loss. Depreciation is calculated on the straight line basis to write off the cost of the assets over their estimated useful lives, which have been taken as follows:-

	Years
Furniture and fittings	3

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

**e) FINANCIAL ASSETS**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date, which are classified as non-current assets. Loans and receivables are classified within “trade and other receivables” and “cash and cash equivalents” on the balance sheet.

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the profit and loss account.

**f) FINANCIAL LIABILITIES**

Financial liabilities include other amounts payable are recognized on the balance sheet when, and only when the Society becomes a party on the contractual provisions of the financial instrument. Financial liabilities are initially recognized at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gain and losses are recognized in the profit and loss account when the liabilities are derecognized as well as through the amortization process. The liabilities are derecognized when the obligation under the liability is discharged or cancelled or expired.

**g) PROVISIONS**

Provisions are recognized when the Society has a present obligation as a result of a past event which is probable will results in an outflow of economic benefits that can be reasonably estimated.

## **h) TAXATION**

Tax expense is determined on the basis of tax effect accounting, using the liability method, and it is applied to all significant temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit, except that a debit to the deferred tax balance is not carried forward unless there is a reasonable expectation of realisation and the potential tax saving relating to a tax loss carry forward and unutilised capital allowances is not recorded as an asset.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the assets are realised or the liability is settled. Deferred tax is charged or credited to the statement of comprehensive income. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority.

## **i) REVENUE RECOGNITION**

Revenue from rendering of services is recognized when the services are rendered.

Revenue from membership is recognized on a straight line basis over the term of the membership.

Interest income is recognized using the effective interest method.

Revenue from corporate sponsorship is recognized on a receipt basis.

## **j) CURRENCIES TRANSLATION**

### Functional and presentation currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollar, which is the Society’s functional currency.

### Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the date of statement of financial position are recognized in the statement of comprehensive income.

Non-Monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when fair values are determined.

## **k) LEASES**

Rental payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

## **l) EMPLOYEE BENEFITS**

### Defined Contribution Plan

As required by the Law, the Society makes contribution to the Central Provident Fund (“CPF”) Scheme in Singapore, a defined contribution pension scheme. CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contribution.

### Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the date of the statement of financial position.

## **m) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise of cash at banks and fixed deposits placed with credit-worthy financial institutions.

## **n) IMPAIRMENT OF NON-FINANCIAL ASSETS**

The carrying amount of the Society’s assets is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the assets or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is at a revalued amount, in which case the impairment loss is treated as a decrease in revaluation.

## **o) REVERSAL OF NON-FINANCIAL ASSETS**

An impairment loss is only reversed to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation.

## **2. GENERAL INFORMATION**

The objective and purposes of the Society are to:

- (i) Advance the science of geology and related earth sciences for petroleum and gas exploration, development and production specifically in South East Asia.
- (ii) Act as body to improve awareness of oil and gas industry issues in the community.
- (iii) Foster a spirit of scientific research.
- (iv) Promote technologies for finding, developing and producing hydrocarbons.
- (v) Disseminate information related to petroleum geoscience.
- (vi) Inspire a high standard of professional conduct.

### 3. FIXED ASSETS

	At beginning of the year \$	Additions/ Charge \$	Disposals \$	At end of the year \$
<b>2012</b>				
<b>Cost</b>				
Furniture and fittings	4,355	-	-	4,355
<b>Accumulated depreciation</b>				
Furniture and fittings	726	1,452	-	2,178
<b>2011</b>				
<b>Cost</b>				
Furniture and fittings	4,220	4,355	(4,220)	4,355
<b>Accumulated depreciation</b>				
Furniture and fittings	4,220	726	(4,220)	726
	<b>Net Book Value</b>		<b>Depreciation</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
	\$	\$	\$	\$
Furniture and fittings	2,177	3,629	1,452	726

### 4. TRADE RECEIVABLES

The Society has trade receivables amounting to \$71,520 (2011:\$8,129) that are past due at the statement of financial position date but not impaired. These receivables and the analysis of their ageing at the statement of financial position date are as follows:

	2012 \$	2011 \$
Current	21,505	6,080
Past due:		
Less than 30 days	18,239	4,390
More than 90 days	53,281	3,739
	<u>93,025</u>	<u>14,209</u>

The trade receivables were denominated in Singapore Dollar and they approximate their fair values.

### 5. DEPOSITS AND PREPAYMENTS

	2012 \$	2011 \$
Deposits	128,907	-
Prepayments	1,789	-
	<u>130,696</u>	<u>-</u>

## 6. FIXED DEPOSITS

The fixed deposit will mature in 1 April 2013 and earns interest of 0.15% (2011: 0.25%) per annum.

## 7. CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalents comprise the following:

	2012 \$	2011 \$
Bank balance	<u>1,100,274</u>	<u>1,268,438</u>

The cash and cash equivalents are denominated in the following currencies and approximate its fair values:

	2012 \$	2011 \$
Singapore Dollar	1,063,973	1,232,137
United States Dollar	36,301	36,301
	<u>1,100,274</u>	<u>1,268,438</u>

## 8. OTHER PAYABLES AND ACCRUALS

	2012 \$	2011 \$
GST payable	16,536	-
Other payables	6,000	-
Accruals	6,561	3,385
	<u>29,097</u>	<u>3,385</u>

## 9. EVENTS AND ACTIVITIES INCOME

Events and activities income derives from events, courses, enterprise activities, golf, forum and talks organized and others include press advertisement, merchandise sales, scout check and Worldpay.

## 10. EVENTS AND ACTIVITIES EXPENSES

Events and activities expenses include events, courses, enterprise activities, golf, forum and talks organized and others include press advertisement, scout check and discretionary spending.

## 11. TAXATION

### a) Tax expense

	2012 \$	2011 \$
Current year	-	-
Prior year underprovision	365	-
	<u>365</u>	<u>-</u>

The Society has unabsorbed donation of approximately \$14,000 (2011: \$17,000) available for 5 years as required by the Provision of the Income Tax Act and agreement by Comptroller of Income Tax. Deferred tax benefit of \$2,380 (2011: \$2,890) in respect of the above have not been recognized due to unpredictability in future profit streams.

## 12. OPERATING LEASE COMMITMENTS

The Society leases office from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the date of statement of financial position but not recognized as liabilities, are as follows:

	2012 \$	2011 \$
Due within 1 year	28,200	-
Due after 1 year	56,400	-
	<u>56,400</u>	<u>-</u>

## 13. OTHER INFORMATION

S.E.A. PETROLEUM EXPLORATION SOCIETY is registered under Societies Act, Cap. 311 and its registered office at 20 Upper Circular Road, The River Walk #01-06, Singapore 058416.

## 14. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 30 September 2012 were authorised for issue

in accordance with a resolution of the Council Members on 07 JUN 2013

These notes form an integral part of and should be  
read in conjunction with the accompanying financial statements.